



General Assembly

February Session, 2008

Raised Bill No. 685

LCO No. 3095

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Referred to Committee on Government Administration and Elections

Introduced by:
(GAE)

AN ACT CONCERNING THE CREATION OF A STATE MUNICIPAL FINANCE ASSISTANCE COMMISSION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) Sections 1 to 26, inclusive,
2 and section 29 of this act and subsection (c) of section 7-394a and
3 section 7-395 of the general statutes shall be known as the "Municipal
4 Financial Management and Assistance Act."

5 Sec. 2. (NEW) (*Effective from passage*) (a) It is found and declared that
6 it is in the essential public interest of the state to monitor the financial
7 condition of municipalities, provide technical assistance where
8 appropriate, and to attempt to ensure their continued financial
9 stability. Therefore, the authority and powers conferred by sections 1
10 to 26, inclusive, and section 29 of this act and subsection (c) of section
11 7-394a and section 7-395 of the general statutes serve such interest by
12 promoting financial stability throughout the state and by providing
13 municipalities with technical assistance and the means to restore and
14 maintain their financial stability, through the following procedures
15 and mechanisms for the state to: (1) Assist municipalities in

16 improvement of financial management practices and abilities by
17 providing technical assistance and management resources; (2) provide
18 in certain instances for the establishment of financial plans as a means
19 for municipalities to improve their financial condition and practices;
20 (3) recommend remedial measures for any municipality evidencing
21 indications of financial instability or impairment; (4) establish state
22 oversight and intervention as needed and in certain instances enable a
23 municipality to take extraordinary measures to improve its financial
24 condition; and (5) provide for economic development assistance for
25 municipalities that are subject to oversight and intervention under this
26 act.

27 (b) It is found and declared that some municipalities in this state have
28 experienced and are presently experiencing financial difficulties which in
29 some cases have necessitated state intervention and assistance through
30 special acts and otherwise. It is further found and declared that it is in
31 the public interest and is the policy of this state to assist municipalities
32 attempting to provide, without interruption, services essential to their
33 inhabitants and inhabitants of the region while meeting their obligations
34 to the holders of their outstanding securities and to assist municipalities
35 in managing their financial responsibilities. Although the state has long
36 been committed and remains committed to the principles of local
37 government and home rule, the impairment of the credit of a
38 municipality may adversely affect the cost of borrowing incurred by
39 other municipalities in the state as well as the ability of the state to issue
40 its own obligations at market interest rates. The cumulative effect of
41 municipalities in financial distress presents a potential threat to the
42 public welfare and financial condition of the state.

43 Sec. 3. (NEW) (*Effective from passage*) As used in sections 1 to 26,
44 inclusive, and section 29 of this act and subsection (c) of section 7-394a
45 and section 7-395 of the general statutes, the following terms shall have
46 the following meanings: (1) "Administrative unit" means any water
47 pollution control authority, parking authority or similar unit of
48 government whose financial operations are properly includable as part

49 of the general purpose financial statement of the municipality's
50 reporting entity in accordance with generally accepted accounting
51 principles, as modified by this act, but shall not include any school
52 district or any housing authority; (2) "annual budget" means, for each
53 fiscal year, the budget of the municipality for all funds, including, but
54 not limited to, general funds, capital project funds, special funds and
55 enterprise funds; (3) "audit" means an audit performed by an
56 independent public accountant; (4) "budget year" means a fiscal year of
57 the municipality for or with respect to which a budget is required; (5)
58 "cash revenues" means those revenues actually received by the
59 municipality plus accrued investment earnings and amounts properly
60 receivable, in accordance with generally accepted accounting
61 principles, under reimbursement type grants from the state and federal
62 government; (6) "certification" means, with respect to any budget,
63 financial plan, report, computation, projection or estimate submitted to
64 the secretary, the commission or any board by or on behalf of a
65 municipality, any of its administrative units or its school board by its
66 chief executive officer, its finance officer, the chief administrator of any
67 administrative unit or its superintendent of schools, written
68 confirmation that, to the best of the knowledge and belief of the official
69 submitting such budget, plan, report, computation, projection or
70 estimate and the accompanying written confirmation, the information
71 contained in such budget, plan, report, computation, projection or
72 estimate is true, accurate and complete and that, if such budget, plan,
73 report, computation, projection or estimate is based on assumptions or
74 projections, such assumptions or projections are reasonable in view of
75 all relevant circumstances, and "certified" means, with respect to any
76 such budget, plan, report, computation, projection or estimate, a
77 budget, plan, report, computation, projection or estimate which is
78 accompanied by a certification; (7) "chief executive officer" means the
79 person designated under section 7-12a of the general statutes, any
80 municipal charter or home rule ordinance or any applicable special act
81 as the chief executive officer of the municipality or, if no person is so
82 designated, the person having responsibility for the chief executive

83 officer functions of the municipality; (8) "current year," when used in
84 reference to a budget, financial plan, estimate or computation, means
85 the fiscal year during which the annual budget is required to be
86 prepared and adopted, being the fiscal year next preceding the budget
87 year; (9) "debt service percentage" means, for any budget year, the
88 fraction whose numerator is the total debt service on all bonds and
89 notes of the municipality, including bond anticipation notes and tax
90 anticipation notes, for the first six months of such year or the second
91 six months of such year, as the case may be, and whose denominator is
92 forty-nine and one-half per cent of the intercept revenues budgeted for
93 such year; (10) "deficit" means expenditures and other financial uses of
94 funds for any fiscal year in excess of revenues and other financing
95 sources; (11) "emergency financial manager" means the emergency
96 financial manager appointed by a municipal finance planning and
97 assistance board pursuant to section 11 of this act; (12) "emergency
98 powers" means those powers granted to a board pursuant to section 11
99 of this act; (13) "enterprise funds" means funds of a municipality
100 arising out of or related to activities that are usually self-sustaining,
101 principally through user charges, for (A) services rendered, or (B)
102 those activities for which a municipality desires to control or measure
103 the cost of services; (14) "expenditures for any fiscal year" means the
104 amount actually paid in or otherwise properly attributable to such
105 fiscal year, in accordance with generally accepted accounting
106 principles, as modified by this act, including, but not limited to, (A)
107 accounts payable at the close of such fiscal year, (B) any portion of an
108 appropriation duly encumbered at the close of such fiscal year, and (C)
109 transfers to other accounts and other financing uses made during or in
110 relation to such fiscal year; (15) "finance officer" means the official of
111 the municipality who, under chapter 94 of the general statutes or the
112 charter or home rule ordinance of the municipality or any applicable
113 special act, has the highest level of administrative responsibility for the
114 financial affairs of the municipality, other than the chief executive
115 officer acting in the capacity of the chief executive officer; (16)
116 "financial plan" means a plan prepared by or for a municipality in

117 accordance with section 8 of this act; (17) "general fund budget" means
118 the annual general fund budget of the municipality, as defined by the
119 charter or home rule ordinance or any ordinance or regulation of the
120 municipality, or, in the absence of any such definition, the budget or
121 budgets for annual operations approved at the annual budget meeting
122 required pursuant to section 7-388 of the general statutes, or, in the
123 absence of any such meeting, the estimates and recommendations
124 required by section 7-344 of the general statutes, as the case may be, as
125 finally approved by the appropriate municipal approving body,
126 authority or board; (18) "generally accepted accounting principles"
127 means the statements, conventions, rules and interpretations defining
128 accepted accounting practices for governmental entities promulgated
129 by the Governmental Accounting Standards Board or such other
130 authoritative source identified by Statement of Auditing Standards No.
131 52, promulgated by the American Institute of Certified Public
132 Accountants, as modified from time to time; (19) "intercept program"
133 means a procedure set forth in an indenture of trust with a bank or
134 trust company to collect and release intercept revenues, as provided in
135 section 16 of this act; (20) "intercept revenues" means all property taxes
136 and interest, penalties and other charges appertaining thereto paid to
137 the municipality and subject to commitment to an intercept program,
138 but excluding any additional taxes for any special services district
139 levied in accordance with chapter 105a of the general statutes; (21)
140 "legislative body" means the legislative body designated in subsection
141 (m) of section 1-1 of the general statutes. Where the legislative body is
142 a combination of bodies, as provided in subdivision (1) of subsection
143 (a) of section 7-193 of the general statutes, the legislative body, for
144 purposes of this act, shall be the body having the lesser number of
145 members; (22) "monthly debt service requirement percentage" means,
146 for any thirty-day period, a fraction, the numerator of which is the
147 amount of debt service, including bond anticipation notes and tax
148 anticipation notes, scheduled to be paid in the next thirty days minus
149 the current balance in the account created by the intercept program
150 and the denominator of which is the amount of intercept revenues

151 estimated by the municipality's finance officer to be received in the
 152 next thirty days; (23) "municipal finance assistance commission" or
 153 "commission" means the commission created pursuant to section 5 of
 154 this act; (24) "municipal finance planning and assistance board" or
 155 "board" means any board created pursuant to section 9 of this act; (25)
 156 "municipality" means any town, city, borough, consolidated town and
 157 city, or consolidated town and borough; (26) "projected deficit" means
 158 anticipated expenditures and other financing uses of funds for any
 159 fiscal year in excess of the currently projected revenues and other
 160 financing sources for such year; (27) "properly attributable" means
 161 attributable in accordance with the accounting system and procedures
 162 for municipalities prescribed by generally accepted accounting
 163 principles, as modified by this act and as determined and applied by
 164 independent public accountants; (28) "required minimum capital
 165 reserve" means the amount specified in any indenture entered into
 166 pursuant to section 16 of this act as the minimum requirement in any
 167 special capital reserve established pursuant to section 16 of this act;
 168 (29) "revenue budget" means the portion of the annual budget which
 169 relates to revenues; (30) "revenues" means amounts accrued or
 170 received by a municipality and reportable as revenues or other
 171 financing sources in accordance with generally accepted accounting
 172 principles, as modified by this act; (31) "review powers" means those
 173 powers granted to a board pursuant to section 10 of this act; (32)
 174 "school board" shall mean the duly elected or appointed board of
 175 education through which a municipality, acting in its capacity as a
 176 school district, maintains the control of all public schools within its
 177 limits, but shall not include any regional board of education, and
 178 "school district" shall mean the body corporate through which such
 179 school board maintains the control of all public schools within the
 180 municipality, but shall not include any regional school district; (33)
 181 "secretary" means the Secretary of the Office of Policy and
 182 Management or his designee; and (34) "Treasurer" means the State
 183 Treasurer or his designee.

184 Sec. 4. (NEW) (*Effective from passage*) The Secretary of the Office of

185 Policy and Management shall assure that training and technical
186 assistance is provided to municipal finance officers in all aspects of
187 municipal finance, including, but not limited to, budgeting,
188 accounting, recordkeeping, financial reporting, debt issuance and
189 management, cash management, financial forecasting and capital
190 budgeting. The secretary shall consult with appropriate state and
191 municipal officials and organizations in developing such training and
192 technical assistance programs and opportunities. The secretary shall
193 make special efforts to offer such training and assistance to the finance
194 officers of any municipality which is identified by the commission or
195 the secretary, in accordance with the provisions of this act, as
196 exhibiting any type of fiscal problem.

197 Sec. 5. (NEW) (*Effective from passage*) (a) There is established a state
198 Municipal Finance Assistance Commission, that shall assist the
199 secretary in promoting the financial stability of municipalities by
200 assisting such municipalities in improving their financial management
201 practices and, when necessary, by monitoring the financial activities
202 and conditions of municipalities throughout the state in order to carry
203 out the purposes set forth in section 2 of this act. The commission shall
204 work with any municipality referred to it pursuant to the provisions of
205 section 7-395 of the general statutes, as amended by this act, to
206 improve the financial condition of such municipality.

207 (b) The Municipal Finance Assistance Commission shall consist of
208 nine members appointed by the Governor. Two of such members shall
209 be chief executive officers of municipalities and two of such members
210 shall be either financial officers or chief executive officers of
211 municipalities, with one of such municipal members representing a
212 municipality in each of the following categories: (1) Municipalities
213 having a population of less than ten thousand; (2) municipalities having
214 a population of not less than ten thousand but less than twenty-five
215 thousand; (3) municipalities having a population of not less than
216 twenty-five thousand but less than sixty thousand; and (4) municipalities
217 having a population of sixty thousand or over. At least three of the

218 remaining five members of the commission shall be experienced in
219 municipal finance. Members shall serve for four-year terms coterminous
220 with the term of the Governor or until a successor is appointed and
221 qualified, whichever is longer, provided any member who is appointed
222 as a financial officer or chief executive officer of a municipality shall be
223 qualified to serve for only so long as such member holds such office. The
224 chairperson of the commission shall be appointed by the Governor.
225 Vacancies for any unexpired term shall be filled by the Governor. All
226 members of the commission shall serve without compensation, except
227 for reimbursement for their reasonable and necessary expenses incurred
228 in the performance of their duties as members. The secretary shall
229 provide such staff assistance to the commission as he, after consultation
230 with the commission, deems appropriate.

231 (c) A majority of the entire commission shall constitute a quorum. The
232 commission shall act by resolution adopted by majority vote of the entire
233 commission. The commission shall maintain a record of its proceedings
234 in such form as it may determine, provided such record shall, at a
235 minimum, indicate attendance and all votes cast by each member.

236 (d) The commission may: (1) Request the chief executive officer,
237 superintendent of schools or any other official, employee or agent of any
238 municipality, any of its administrative units or its school board to
239 provide the commission with access to: (A) All books and records of
240 such municipality, any of its administrative units or its school
241 operations; (B) information on the accounting and financial management
242 practices and status of such municipality, unit or board; and (C) any
243 other information the commission deems relevant to the municipality's
244 financial condition; (2) request that any of such officials, employees or
245 agents meet with the commission to discuss such information and
246 develop such remedial measures as the commission deems appropriate;
247 (3) make recommendations to the secretary that the secretary authorize
248 the commission to issue orders to a municipality, as provided in section 7
249 of this act; (4) make recommendations to the secretary concerning the
250 creation of a board for a municipality and the granting to such board of

251 appropriate powers as provided in this act; and (5) make such other
252 recommendations to the secretary that it deems necessary or appropriate
253 to further the purposes of this act.

254 Sec. 6. (NEW) (*Effective from passage*) (a) In analyzing the financial
255 condition of a municipality, the Governor, the secretary, the
256 commission or any board, as the case may be, shall give due
257 consideration to (1) the criteria set forth in subsection (b) of this section
258 relating to the financial condition and the financial management
259 practices of such municipality; and (2) such additional factors as they
260 deem necessary or appropriate. Such additional factors may include a
261 request by a municipality that its financial condition be reviewed by
262 the commission or that it be permitted to issue municipal bonds or
263 notes to finance a deficit of the municipality. The Governor, secretary,
264 commission or board, as the case may be, shall evaluate whether any
265 of such criteria singly, or by cumulative effect, warrant the
266 authorization of appropriate action as provided in this act.

267 (b) The criteria to be used for such analysis of a municipality shall be:
268 (1) Declining undesignated, unrestricted final general fund balances for
269 two or more consecutive years, or deficit final general fund balances for
270 two or more consecutive years; (2) declining final balances for two or
271 more consecutive years, or deficit final balances in any municipal fund
272 which could have a significant impact on the financial condition of the
273 municipality; (3) a projected deficit in the general fund budget for either
274 the current year or the budget year; (4) significant overestimation of
275 revenues for two or more consecutive completed fiscal years; (5)
276 significant underestimation of expenditures for two or more consecutive
277 completed fiscal years; (6) excessive levels of debt service as a percentage
278 of the annual budget in recent years or the current or budget year; (7)
279 accounting and financial management systems which are inadequate to
280 provide timely and accurate information; (8) lack of municipal action
281 relative to such audit comments as may be issued by the independent
282 public accountant conducting the municipality's audit or as may be
283 issued by the secretary, commission or board in relation to such an audit;

284 (9) low or inordinately declining property tax collection rates for two or
 285 more consecutive years; (10) large unfunded pension liabilities, or other
 286 large unfunded postemployment benefits or compensated absences; (11)
 287 inability to close the books of the municipality within ninety days of the
 288 end of any fiscal year; (12) reliance, for two or more consecutive years, on
 289 tax anticipation notes to maintain cash flow; (13) a credit rating reduction
 290 of at least two rating categories by any nationally recognized rating
 291 service or by any rating service recognized by the state commissioner of
 292 banking, in any five-year period; (14) difficulty in marketing or inability
 293 to market obligations of the municipality, including bonds or bond
 294 anticipation notes; (15) refusal to obey or to fully implement any order of
 295 the commission or of a municipal finance planning and assistance board;
 296 (16) a significant level of delinquency in payments of property taxes or
 297 other revenues due to the municipality; (17) failure to comply with the
 298 provisions of chapter 111 of the general statutes; (18) failure to make
 299 timely payment of any municipal payroll; (19) failure to forward taxes
 300 withheld on the income of employees to any appropriate governmental
 301 agency in a timely manner or failure to transfer employer or employee
 302 contributions for Social Security to the Social Security Administration in
 303 a timely manner; (20) failure to make payment to creditors of the
 304 municipality or of judgments against the municipality in a timely
 305 manner; (21) year-end general fund deficits for two or more consecutive
 306 years; (22) unusually large numbers or unusually large dollar amounts of
 307 interfund transfers among the various funds of the municipality for a
 308 municipality of the size and character of the subject municipality; (23)
 309 large or significantly growing self-insurance liabilities which are
 310 inadequately funded or for which there are inadequate reserves; (24)
 311 inadequate contingency reserves for known contingent liabilities; (25)
 312 lack of or an inadequate program of risk management and loss control;
 313 and (26) use of nonrecurring income to finance current operations.

314 Sec. 7. (NEW) (*Effective from passage*) (a) The commission shall, upon
 315 receipt of a report from the secretary concerning an audit review
 316 pursuant to section 7-395 of the general statutes, as amended by this
 317 act, review the financial stability and financial management practices

318 of the municipality.

319 (b) The commission may, based on its consideration of a
320 municipality's financial condition and practices in light of the criteria set
321 forth in section 6 of this act, request the secretary to give special attention
322 to any municipality under section 4 of this act and may specify particular
323 types of technical assistance it deems valuable and appropriate in
324 assisting the municipality.

325 (c) If the commission, after its review of any such report or of any
326 information requested by it from a municipality, determines, in
327 accordance with the criteria set forth in section 6 of this act, that it is
328 concerned that the financial stability of a municipality would be
329 threatened if the financial circumstances or financial management
330 practices of such municipality continue, regardless of whether there is an
331 immediate threat to the financial stability to the municipality, it shall set
332 forth its findings and forward them to the chief executive officer and
333 legislative body of the municipality, together with any suggested
334 remedial recommendations developed by the commission. The
335 commission shall give the chief executive officer of such municipality, or
336 his designee, an opportunity to appear before the commission after such
337 findings and recommendations have been forwarded to him and to
338 make a statement and present information relevant to the findings and
339 recommendations of the commission.

340 (d) After giving a municipality the opportunity to respond to its
341 findings and recommendations and after reviewing any actions taken by
342 such municipality to improve its financial condition, the commission
343 may consider whether additional action by the commission is warranted.
344 The commission shall give written notice of its intention to consider such
345 issue to the chief executive officer and the legislative body of such
346 municipality, and shall give the chief executive officer of such
347 municipality, or his designee, an opportunity to appear before the
348 commission after such notice has been forwarded to him and to make a
349 statement and present information prior to any such determination by

350 the commission.

351 (e) If the commission thereafter determines, based on its evaluation of
352 a municipality's financial condition and financial management practices
353 in accordance with the criteria set forth in section 6 of this act, that the
354 financial conditions or financial management practices identified by the
355 commission have not been remedied or that there is a likelihood that the
356 financial stability of such municipality will be threatened if the financial
357 circumstances or financial management practices of such municipality
358 continue, regardless of whether there is an immediate threat to the
359 financial stability of such municipality, it shall set forth its findings and
360 forward them to the secretary, together with a recommendation that the
361 commission be authorized to issue orders to such municipality. The
362 commission shall also forward a copy of its findings and its
363 recommendation to the chief executive officer and the legislative body of
364 such municipality.

365 (f) After review of the findings and recommendations of the
366 commission and after giving due consideration to the criteria set forth in
367 section 6 of this act, the secretary may authorize the commission to issue
368 orders in accordance with subsection (g) of this section or may reject the
369 commission's recommendations. If the secretary determines that the
370 commission should be authorized to issue such orders to the
371 municipality, the secretary shall delineate those findings on which he has
372 based his determination and give notice of such determination, along
373 with such delineation, to the chief executive officer and the legislative
374 body of the subject municipality and to the commission.

375 (g) In the event that the secretary determines that the commission
376 should be authorized to issue orders to a municipality, the commission
377 may issue orders, along with such time frames for compliance with such
378 orders as may be set forth by the commission, to such municipality, any
379 of its administrative units and its school board and any of their officials,
380 employees or agents as it deems appropriate to improve the financial
381 condition of the municipality. Such orders may include requirements

382 that: (1) The municipality, school district or audited agency comply with
383 the financial reporting requirements of section 7-393 of the general
384 statutes and section 7-394a of the general statutes, as amended by this
385 act; (2) a unified audit or financial statement be prepared at the expense
386 of the municipality, that it be prepared for all funds of the municipality,
387 its administrative units and its school district properly includable in
388 general purpose financial statements of the municipality, in accordance
389 with generally accepted accounting principles, as modified by this act,
390 and, if deemed appropriate by the commission, that it be prepared by an
391 independent public accountant selected by the municipality subject to
392 approval by the commission, with such additional financial reporting as
393 the commission may order; (3) a financial plan be prepared at the
394 expense of the municipality and, if deemed appropriate by the
395 commission, that it be prepared by a municipal financial consultant to be
396 selected by the municipality subject to the approval of the commission;
397 (4) any such financial plan be approved by the appropriate budget
398 making authority and the legislative body of the municipality and that
399 no expenditure be made by the municipality, any of its administrative
400 units or its school board contrary to such financial plan; (5) the
401 municipality submit to the commission the financial plan of the
402 municipality for review and comment with regard to its adequacy and
403 its impact on the municipality's overall financial condition; (6) the
404 municipality submit to the commission the annual budget of the
405 municipality for the budget year for review and comment with regard to
406 its compliance with the financial plan and its impact on the overall
407 financial condition of the municipality; (7) the municipality respond to
408 any recommendations made by the commission and any financial
409 consultant involved in preparing a financial plan; (8) the municipality
410 provide the commission with specific justification for any revenue
411 projections it makes; (9) the municipality monitor all bond and note
412 proceeds and report on the same to the commission and that it certify to
413 the commission the purposes of any proposed bond authorization; (10)
414 the municipality submit its repayment schedule for any proposed
415 borrowing by the municipality to the commission for review and

416 comment; (11) the municipality aggressively pursue delinquent
417 payments of taxes or other revenues, as recommended by the
418 commission; (12) the municipality, any of its administrative units or its
419 school board provide and prepare such budgets and special reports on
420 its financial status and practices, as required by the commission; (13) the
421 municipality submit any of the following documents at the following
422 times to the commission for review and comment with regard to its
423 impact on the annual budget of the municipality for the budget year, its
424 financial plan or its overall financial condition: (A) Any negotiated
425 collective bargaining agreement upon submission of a request for funds
426 necessary to implement such agreement to the legislative body of the
427 municipality pursuant to section 7-474 of the general statutes; (B) any
428 fact finding report prior to the period within which such legislative
429 authority may notify the employee organization that it has rejected such
430 report; and (C) any collective bargaining agreement negotiated by the
431 school board upon filing with the town clerk; (14) the municipality invite
432 one or more members or representatives of the commission to testify at
433 any hearings before a fact finder or a binding arbitration panel convened
434 pursuant to section 7-473c or 7-474 of the general statutes with regard to
435 the financial capability of the municipality, or to testify on behalf of the
436 fiscal authority having budgetary responsibility or charged with making
437 appropriations for the school district at any hearings before a binding
438 arbitration panel convened with regard to the financial capability of the
439 school district.

440 (h) The commission may issue any orders under subsection (g) of this
441 section to a municipality until (1) such time as the secretary, after
442 consideration of any recommendation of the commission and any
443 request by such municipality, determines, on the basis of the criteria set
444 forth in section 6 of this act and the financial circumstances of the
445 municipality, that issuance of such orders by the commission is no
446 longer justified, makes a finding to that effect, and gives notice of it to the
447 chief executive officer and the legislative body of the municipality and to
448 the commission; or (2) a board is created for the municipality pursuant to
449 section 9 of this act.

450 Sec. 8. (NEW) (*Effective from passage*) (a) Any municipality, which is
 451 required to prepare a financial plan by the commission or a board,
 452 shall prepare such plan in accordance with the provisions of this
 453 section. A financial plan shall be prepared by or for a municipality,
 454 approved by the municipality in accordance with subdivision (4) of
 455 subsection (g) of section 7 of this act, and submitted to the commission
 456 or board not later than ninety days after it is ordered to be prepared by
 457 the commission or the board, as the case may be. A subsequent
 458 financial plan shall be so prepared, approved by the municipality, and
 459 submitted to the commission or board not later than one hundred
 460 twenty days prior to the commencement of each ensuing fiscal year for
 461 as long as the commission is authorized to issue orders to such
 462 municipality or a board is in existence for such municipality. Each
 463 financial plan, including any forecasted financial information included
 464 therein, shall be prepared in accordance with The American Institute
 465 of Certified Public Accountants Audit Guide For Prospective Financial
 466 Statements, as from time to time amended, and in accordance with
 467 generally accepted accounting principles, as modified by this act. Each
 468 financial plan shall be based on a unified financial statement of all
 469 funds of the municipality, its administrative units and its school
 470 district properly includable in general purpose financial statements of
 471 the municipality in accordance with generally accepted accounting
 472 principles, as modified by this act. The financial plan shall be in such
 473 form as the commission may require and shall cover a period of three
 474 fiscal years, beginning with the current year. The financial plan shall
 475 include: (1) Plans for the elimination of all deficits in the general fund,
 476 special service funds, enterprise funds and other noncapital project
 477 funds, in accordance with the provisions of this act; (2) plans for the
 478 elimination of all deficits in capital project funds, except for those
 479 deficits expected to be cured by permanent long-term financing in the
 480 normal course of the project management; (3) a plan for restoration to
 481 all funds and accounts, including capital project funds and accounts, of
 482 any moneys from such funds and accounts that were improperly taken
 483 from such funds or accounts, used for purposes not within the

484 purposes of such funds or accounts, or borrowed from such funds or
 485 accounts; (4) maintenance of current payments of all accounts; (5)
 486 provisions for funding, over an appropriate period of time, of any
 487 unfunded liabilities, contingent or otherwise, including, but not
 488 limited to, pensions, post-retirement benefits and property and
 489 casualty losses; (6) an estimation of the total amount of borrowing
 490 outstanding or to be issued during the period covered by the plan,
 491 including an estimation of bonds or notes issued or to be issued by the
 492 municipality during the period covered by the plan, and of debt
 493 service required to retire all such debt; (7) a description of actions to be
 494 taken by the municipality, any of its administrative units or its school
 495 board to accomplish the objectives set forth in the plan, together with
 496 the approximate dates of commencement, progress upon and
 497 completion of any such action; and (8) such additional information in
 498 such detail for the years included in the financial plan as the
 499 commission or board may from time to time require.

500 (b) All assumptions on which revenue and expenditure projections in
 501 such plan are based shall be derived from prior experience. In the case of
 502 any municipality for which the state has provided state guarantees for
 503 municipal bonds or notes, such municipality shall prepare its financial
 504 plan on the basis of cash revenues. The financial plan shall include a
 505 certification by the chief executive officer or the finance officer of the
 506 municipality of all estimated revenues and expenditures, cash flow
 507 projections, cash resources and uses and capital improvements of the
 508 municipality. The superintendent of schools or the chief administrative
 509 officer of any administrative unit, as the case may be, shall certify to any
 510 such estimated revenues and expenditures, cash flow projections, cash
 511 resources and uses and capital improvements within their respective
 512 jurisdictions.

513 Sec. 9. (NEW) (*Effective from passage*) (a) The secretary may, at the
 514 request of the chief executive officer of a municipality, at the request of
 515 the commission, or upon his own initiative with the concurrence of the
 516 commission, determine whether a municipal finance planning and

517 assistance board should be created for a municipality. The secretary
518 shall give written notice of his intention to determine whether to create
519 such a board for a municipality to the commission and the chief
520 executive officer of such municipality, and the secretary shall give
521 reasonable opportunity to the commission and such officer to appear
522 before the secretary and make statements and present information
523 prior to any determination by the secretary.

524 (b) If the secretary determines, based on his evaluation of the financial
525 condition and financial management practices of the municipality and in
526 accordance with the criteria set forth in section 6 of this act, that: (1) The
527 municipality is facing imminent and serious financial distress which
528 threatens the financial stability of the municipality; (2) the municipality
529 has failed to timely submit an adequate financial plan or that the
530 municipality has failed or is unable to comply with its financial plan; (3)
531 it is reasonably likely that the municipality will incur a deficit in excess of
532 three per cent of its budgeted revenue for the budget year or that
533 accumulated deficits of the general fund are projected to exceed seven
534 per cent of the budgeted revenues for the budget year; (4) the obligations
535 of the municipality are rated outside of the top three rating categories by
536 at least one of the nationally recognized rating services or by a rating
537 service recognized by the state Banking Commissioner; or (5) the
538 municipality has received permission from the secretary, pursuant to
539 section 15 of this act, to issue municipal bonds or notes, or both, for any
540 deficit of the municipality, the secretary shall set forth the findings for
541 such a determination and forward them to the Governor with his
542 recommendation that a municipal finance planning and assistance board
543 be created for the municipality. The secretary shall send a copy of such
544 findings and recommendation to the commission and the chief executive
545 officer and legislative body of the municipality.

546 (c) After review of the findings of the secretary and after giving due
547 consideration to the criteria set forth in section 6 of this act as they relate
548 to the financial condition or financial management practices of the
549 municipality and to the criteria contained in subsection (b) of this section,

550 the Governor may approve or reject the findings and recommendation of
551 the secretary. If the Governor approves such findings and
552 recommendations the Governor shall, by executive order, immediately
553 appoint a municipal finance planning and assistance board for such
554 municipality, as provided in subsection (d) of this section. The Governor
555 shall give written notice of such executive order to the secretary, the chief
556 executive officer and the legislative body of the municipality, and the
557 commission. If the Governor does not approve such findings and
558 recommendations, the commission may nevertheless continue to work
559 with the municipality pursuant to sections 5 and 7 of this act.

560 (d) A municipal finance planning and assistance board appointed by
561 the Governor for a municipality, in accordance with this section, shall
562 consist of five members as follows: The treasurer and the secretary, who
563 shall be voting members of the board; two members appointed by the
564 Governor; and one member who shall be a resident of the subject
565 municipality and who shall be appointed by the chief executive officer of
566 the municipality. The chief executive officer may appoint himself as a
567 member of the board. Terms of the members of a board shall be
568 coterminous with the term of their office or of the office of their
569 appointing authority, whichever is shorter. Vacancies in the unexpired
570 terms of any appointed member shall be filled by the appointing
571 authority of the member for whom the vacancy occurred. The Governor
572 shall appoint the chairperson of such board. A majority of the entire
573 board shall constitute a quorum. The board shall act by resolution
574 adopted by majority vote of the entire board. The board shall maintain a
575 record of its proceedings in such form as it may determine, provided
576 such record shall, at a minimum, indicate attendance and all votes cast
577 by each member. The secretary, the Treasurer or the chief executive
578 officer, if he has appointed himself to the board, may delegate any of his
579 duties or functions as a member of the board to another person and such
580 person, if designated to attend any board meeting, shall have full powers
581 to act and vote on behalf of the person who has appointed him. The
582 person so designated shall furnish notice of such designation to the
583 board prior to any meeting attended by such designee. Any such

584 designee shall serve at the pleasure of the designating member. All
585 members of a board shall serve without compensation, except for
586 reimbursement of their reasonable and necessary expenses incurred in
587 the performance of their duties as members. Such board may retain such
588 staff and consultants as it deems necessary or desirable for the
589 accomplishment of its purposes. All expenses of such board shall be paid
590 by the subject municipality in such manner as determined by the board.
591 Any such board shall be assigned to the Office of Policy and
592 Management for administrative purposes only.

593 (e) Upon the issuance of an executive order creating a board pursuant
594 to this section for a municipality, the provisions of section 7-475 of the
595 general statutes, which require that an expired collective bargaining
596 agreement remain in effect until a new agreement is reached and
597 approved, shall become void and unenforceable as to such municipality,
598 any of its administrative units and its school board, and shall remain
599 void and unenforceable for as long as a board is in existence for the
600 municipality. During the time such a board is in existence for a
601 municipality, the municipality may, after a collective bargaining
602 agreement has expired and before a new collective bargaining agreement
603 to which it is a party has been reached and approved, unilaterally
604 establish conditions of employment for its employees, except that if a
605 board appointed by the Governor, pursuant to this act, has been given
606 emergency powers, the board may, at its option, establish such
607 conditions of employment. While a board is in existence for a
608 municipality, the administrative units and the school board of the
609 municipality may, after a collective bargaining agreement to which it is a
610 party has expired and before a new collective bargaining agreement has
611 been concluded, unilaterally establish conditions of employment for its
612 employees.

613 (f) Upon the issuance of an executive order creating a board for a
614 municipality, the binding arbitration provisions of sections 7-473c, 7-474
615 and 10-153f of the general statutes shall become void and unenforceable
616 as to such municipality, any of its administrative units and its school

617 board, and shall remain void and unenforceable for as long as a board is
618 in existence for the municipality. No binding arbitration award issued
619 after the termination of the existence of the board for the municipality
620 shall establish conditions of employment for any period prior to such
621 termination.

622 Sec. 10. (NEW) (*Effective from passage*) (a) A municipal finance
623 planning and assistance board exercising review powers shall have, in
624 carrying out its responsibilities, the same authority as is granted to the
625 commission in sections 5 and 7 of this act. In addition, the board may,
626 relative to the municipality for which it has been created and within
627 such time frames as are set by the board: (1) Require the municipality
628 to adopt a financial plan. If the municipality fails to prepare and
629 approve a financial plan which conforms to the terms, conditions,
630 assumptions and estimates ordered by the board, the board shall
631 develop and adopt a financial plan for the municipality. No such
632 financial plan required by a board or any amendment to it shall be
633 effective unless approved by such board. The approval of the board
634 shall be deemed granted if it has not rejected or approved the financial
635 plan within ninety days of its submission to the board by the
636 municipality; (2) require the municipality to modify its annual budget,
637 if necessary, to comply with the financial plan; (3) require the
638 municipality, any of its administrative units or its school board or any
639 officers, employees or agents of the municipality, any of its
640 administrative units or its school board to submit to the board regular
641 financial reports containing such information as the board deems
642 necessary or appropriate; (4) review and comment on all revenue
643 projections and estimates; (5) review and, to the extent it deems
644 necessary or appropriate, approve or reject any proposed
645 expenditures, municipal borrowings or agreements to be entered into
646 by the municipality, any of its administrative units or its school board,
647 including any collective bargaining agreement to which the
648 municipality would be a party and any collective bargaining
649 agreement submitted by the school board for approval or rejection by
650 the legislative body of the municipality; (6) review and analyze to

651 determine compliance with the financial plan, all capital project fund
652 contracts and all bond ordinances and resolutions of the municipality;
653 (7) require the chief executive officer or the finance officer of the
654 municipality to certify to the board that projections of collection of
655 property taxes and other revenues in the annual budget and financial
656 plan are at a rate no higher than reported on the previous audit of the
657 general fund budget or the rate ordered by the board, whichever is
658 lower, and that the municipality has not included in the annual budget
659 or financial plan any revenues not approved by the board; (8) audit the
660 compliance of the municipality with the financial plan and the annual
661 budget in such areas as the board shall determine; (9) consult with the
662 auditors of the municipality during the progress of each annual audit
663 of the municipality, as it may deem necessary or desirable, and require
664 the auditors to report to the board as if it were an audit committee for
665 the municipality; and (10) approve or reject, as it deems appropriate,
666 any requests by the municipality to fund deficits by borrowing,
667 including the issuance of municipal bonds, bond anticipation notes, or
668 both. The board may condition its approval on such terms and
669 conditions as the board deems necessary or appropriate to ensure that
670 the municipality will make adequate provision for repayment of such
671 debt. The board shall report to the secretary not later than six months
672 after its creation on all funds, obligations and debts of the
673 municipality, its administrative units and its school board and
674 remedial actions recommended.

675 (b) If a board determines that the actions necessary to restore or
676 promote financial stability have not been taken, it may determine, by
677 adoption of a resolution reciting the circumstances underlying such
678 determination, that it is necessary or appropriate for it to exercise
679 additional review powers. No such determination shall be made until
680 the board has given the chief executive officer of the municipality an
681 opportunity to make a statement and present information relative to
682 such determination to it. If the board makes such a determination, it
683 may: (1) Review the efficiency and productivity of the operations and
684 management of the municipality, its administrative units or its school

685 district, as the board deems advisable, in order to determine how to
686 reduce costs or improve services, and make reports on such reviews to
687 the chief executive officer of the municipality, any applicable
688 administrative unit or the school board; (2) establish an intercept
689 program, which may be subject to such additional terms and conditions
690 as the board may deem necessary or appropriate, to ensure adequate
691 revenues for payment of debt service; and (3) require the approval of the
692 board for all revenue estimates before they can be used in the annual
693 budget or financial plan.

694 Sec. 11. (NEW) (*Effective from passage*) (a) When a board is
695 established for any municipality pursuant to section 9 of this act or at
696 any time after such a board has been established, the Governor may
697 authorize such board to exercise additional powers in accordance with
698 the provisions of this section. The Governor shall determine whether it
699 is advisable to give such board emergency powers on his own
700 initiative or at the request of the chief executive officer of the
701 municipality, the commission, the board or the secretary. Prior to
702 making such a determination, the Governor shall direct the secretary
703 to give the municipality, the commission and, if a board has been
704 established, the board reasonable written notice of the consideration of
705 such issue and an opportunity to appear before the secretary and make
706 a statement and present information to him. If the secretary thereafter
707 determines, based on his evaluation of the financial condition and
708 financial management practices of the municipality, in accordance
709 with the criteria set forth in section 6 of this act, that other means have
710 not been successful in preventing imminent and serious financial
711 distress or in restoring the municipality to financial stability, and that
712 it is desirable that the board be given emergency powers, he shall set
713 forth his findings and forward them to the Governor with his
714 recommendation that emergency powers be granted to the board. A
715 copy of such findings and recommendation shall also be sent to the
716 commission, the chief executive officer and legislative body of the
717 municipality and, if a board has been established, the board. The
718 Governor, upon review of the findings and recommendation of the

719 secretary, may approve or reject such findings and recommendation. If
720 the Governor approves such findings and recommendation, the
721 Governor shall, by executive order, authorize such board to exercise
722 such emergency powers. A copy of the findings approved by the
723 Governor and of the executive order shall be sent to the chief executive
724 officer and the legislative body of the municipality, the commission
725 and, if a board has been created, the board.

726 (b) If the Governor, by executive order, determines that a board shall
727 have the emergency powers authorized by this section, the board shall
728 proceed, as it deems necessary or appropriate, to assume responsibility
729 for management of the financial affairs of the municipality, as set forth in
730 this section. In the event of such a determination and order, the board
731 may, within such time frames as are set by the board: (1) Appoint an
732 emergency financial manager and delegate to him, in writing, such
733 powers as the board deems necessary or appropriate for the purpose of
734 managing the financial affairs of the municipality for the period of time
735 during which the municipality is subject to the emergency powers of the
736 board. The emergency financial manager shall not be an elected or an
737 appointed official of any municipality during the term of his
738 appointment, and shall not have been either an elected or an appointed
739 official of the municipality for which he is appointed for at least five
740 years before the appointment. The emergency financial manager shall
741 not be eligible for elective office in the municipality for which he is
742 appointed for two years immediately following the termination of his
743 appointment. The emergency financial manager shall serve at the
744 pleasure of the board, and shall be entitled to compensation and
745 reimbursement for actual and necessary expenses from the municipality,
746 as approved by the board. The emergency financial manager may,
747 subject to approval of the board and at the expense of the municipality,
748 appoint additional staff and secure professional assistance considered
749 necessary. The emergency financial manager may issue to officials,
750 employees and agents of the municipality, any of its administrative units
751 and its school board such orders, within the scope of his delegated
752 authority, as he deems necessary to accomplish the purposes of this act,

753 including, but not limited to, orders for the timely and satisfactory
754 implementation of a financial plan and an annual budget; (2) develop, in
755 consultation with the municipality, any of its administrative units, its
756 school board and with the emergency financial manager for the
757 municipality, if any, and adopt a financial plan and annual budget for
758 the municipality, any of its administrative units and its school board. The
759 board shall take all action necessary to implement the financial plan and
760 annual budget and shall reexamine them regularly and modify them as
761 appropriate to conform to new circumstances; (3) take such actions as are
762 required to limit the expenditures or appropriations for each such year to
763 the budgeted amounts; (4) require the municipal finance officer of the
764 municipality to make special reports to the legislative body, the creditors
765 of the municipality, the board and the public, and to prescribe the form
766 of such reports; (5) (A) make, approve of or disapprove of any
767 appropriation, contract, expenditure or loan by any official, employee or
768 agent of the municipality, any of its administrative units or its school
769 board, and (B) approve or disapprove of any creation of a new position
770 or the filling of a vacancy in any position by any appointing authority of
771 the municipality, any of its administrative units or its school board; (6)
772 review payrolls and other claims against the municipality and any of its
773 administrative units or its school board before payment; (7) require the
774 municipality, any of its administrative units or its school board to reduce
775 services, eliminate functions or contract for services performed by
776 employees of the municipality, any of its administrative units or its
777 school board, and to reduce its work force accordingly as the board
778 deems necessary or appropriate; (8) (A) act as agent of the municipality,
779 any of its administrative units or its school board in collective bargaining
780 with its employees, (B) terminate any existing collective bargaining
781 agreement it deems to have an unacceptable impact upon the annual
782 budget for any fiscal year, any financial plan of the municipality or the
783 overall financial condition of the municipality, and (C) establish
784 conditions of employment which it deems acceptable following the
785 expiration or termination of any collective bargaining agreement and
786 until a new agreement is concluded; (9) (A) consolidate offices,

787 departments or other functional units of municipal government or
788 transfer functions from one such office, department or other functional
789 or administrative unit to another, and appoint, supervise or remove
790 heads of such units, other than elected officials, and (B) employ or
791 contract for, at the expense of the municipality, auditors and other
792 personnel or consultants considered necessary to carry out the powers
793 granted by this section; (10) require compliance with orders of the
794 emergency financial manager or the board, including by the initiation of
795 court action, if the board considers it necessary or appropriate, pursuant
796 to section 22 of this act; (11) sell or otherwise dispose of assets of the
797 municipality, any of its administrative units or its school district, for
798 consideration, to meet past or current obligations; (12) set the annual
799 property tax rate of the municipality and such other taxes, fees, levies,
800 rates, charges, penalties or other revenues, as the board deems necessary
801 and appropriate, in order to increase revenues of the municipality or any
802 of its administrative units, in a manner authorized for municipalities by
803 the general statutes; (13) approve or reject, as it deems appropriate, and
804 subject to such terms and conditions as the board deems necessary or
805 appropriate to ensure that the municipality will make adequate
806 provision for the repayment of any debt, any requests by the
807 municipality to borrow, including requests for the issuance of municipal
808 bonds, bond anticipation notes, or both, and issue, on behalf of the
809 municipality, for any lawful purpose, any municipal obligations,
810 including bonds or bond anticipation notes, which are backed by the full
811 faith and credit of the municipality and which it deems necessary or
812 appropriate; (14) act as agent of the municipality, any of its
813 administrative units or its school board in representing the interests of
814 the municipality, its administrative units or its school board in
815 administrative or judicial proceedings; and (15) take such other or
816 additional action as reasonably necessary to further the purposes of this
817 section.

818 (c) In the exercise of any powers granted pursuant to subdivision (8)
819 of subsection (b) of this section, a board shall not abrogate a valid
820 contract of a municipality, any of its administrative units or its school

821 board without giving due consideration to other means of restoring or
822 maintaining the financial stability of such municipality and determining
823 that (1) less onerous alternatives to effectively address the substantial
824 public interest in the financial stability of such municipality are not
825 reasonably available; and (2) the abrogation is limited to actions which
826 are deemed reasonable and necessary to address such public interest.

827 (d) If the board exercises its authority under subdivision (2) of
828 subsection (b) of this section to modify the municipal appropriation for
829 the maintenance of the public schools during any fiscal year, the school
830 board shall reduce expenditures as necessary to avoid exceeding the
831 limits of the modified appropriation.

832 (e) Upon the issuance of an executive order granting emergency
833 powers with respect to a municipality for which a board was created,
834 any provision of sections 7-467 to 7-477, inclusive, and 10-153a to
835 10-153n, inclusive, of the general statutes, or of any collective bargaining
836 agreement to which such municipality, any of its administrative units or
837 its school board is a party which directly or indirectly precludes such
838 municipality, any of its administrative units or its school board from
839 unilaterally reducing services, eliminating functions or contracting for
840 services, or from reducing their work forces in accordance with such
841 reduction, elimination or contracting, shall become void and
842 unenforceable as to such municipality, its administrative units and its
843 school board and shall remain void and unenforceable for as long as a
844 board with emergency powers remains in existence for the municipality.

845 Sec. 12. (NEW) (*Effective from passage*) Any municipality, its
846 administrative units and its school board and all of their officers,
847 employees and agents having possession of information requested or
848 required by the commission or any board or having the responsibility
849 for developing any such information, shall, at all times, cooperate in
850 assisting the functions of the commission or board, as the case may be,
851 by providing the commission or board, on a continuing basis, with all
852 information requested, ordered or needed by the commission or board

853 to formulate judgments regarding (1) revenue and expenditure
854 estimates; (2) the financial plan or any proposed modification thereof;
855 (3) the monitoring of the implementation of the financial plan; and (4)
856 any amendments of the financial plan recommended by the
857 commission or initiated by the board or the municipality. All
858 information and reports by the municipality and such officers,
859 employees and agents shall be in such form and detail as requested
860 from time to time by the commission or board. Knowing or wilful
861 failure on the part of such officials, employees or agents to carry out
862 the provisions of this section shall be considered gross neglect of duty.

863 Sec. 13. (NEW) (*Effective from passage*) After a municipality submits a
864 financial plan which it has approved to a board, no expenditure which
865 is contrary to the financial plan may be made prior to the approval or
866 disapproval of such plan by the board. If the board disapproves the
867 financial plan, no expenditure may be made by the municipality
868 inconsistent with the reasons given for the disapproval or with such
869 limits as are set forth by the board at the time of such disapproval until
870 such time as the board approves a financial plan. After approval of a
871 financial plan, or any amendment to such plan, by the board, no
872 expenditure may be made contrary to the approved financial plan or
873 the financial plan as amended, as the case may be.

874 Sec. 14. (NEW) (*Effective from passage*) After approval of a financial
875 plan, or any amendment to such plan, by the board, no appropriation
876 measure may be adopted contrary to the approved financial plan or
877 the financial plan as amended, as the case may be. Any appropriation
878 measure effective at the time of adoption of such plan or amendment,
879 which is inconsistent with the approved financial plan, shall become
880 ineffective for purposes of any expenditures to the extent it authorizes
881 expenditures in excess of the revenues available in accordance with
882 such financial plan. Any such measure shall be promptly amended by
883 the legislative body of the municipality or the board with emergency
884 powers, as the case may be, to be consistent with the financial plan. If a
885 board with only review powers is in existence for the municipality,

886 any appropriation measure shall be submitted by the legislative body
887 of the municipality to the board for review prior to approval by such
888 legislative body to determine whether such measure is consistent with
889 the financial plan. The municipality, through the appropriate
890 representatives of the legislative body and the financial officer, shall
891 cooperate with the board in any such review. The board shall, if
892 necessary or appropriate, modify any such proposed appropriation
893 measure to conform to the financial plan prior to its resubmission to
894 the legislative body for approval.

895 Sec. 15. (NEW) (*Effective from passage*) (a) Notwithstanding the
896 provisions of section 7-379 of the general statutes, no municipality,
897 except a municipality for which a board with emergency powers has
898 been created, may issue municipal bonds or bond anticipation notes to
899 fund any deficit of the municipality unless the municipality obtains
900 approval for such borrowing from the secretary. For a municipality
901 subject to a board with emergency powers, the board may issue
902 municipal obligations, as provided in section 17 of this act.

903 (b) If a municipality which is not subject to a board desires to issue
904 municipal obligations for any deficit, it shall submit to the commission
905 the following documentation: (1) A copy of the financial plan approved
906 by the municipality; (2) an explanation of why it believes the issuance of
907 such municipal obligations is in the best interests of the municipality;
908 and (3) a resolution, duly adopted by the municipality, requesting that it
909 be permitted to issue municipal bonds, bond anticipation notes, or both,
910 to fund any deficit of the municipality pursuant to the terms and
911 conditions of this act. The commission shall review the municipality's
912 request for permission to issue such municipal obligations and forward
913 to the secretary the documentation submitted by the municipality
914 together with its recommendation for the approval, rejection or approval
915 subject to specified terms and conditions of such request. The
916 commission shall give written notice of its recommendation to the chief
917 executive officer and legislative body of the municipality. The secretary
918 shall review such documentation and recommendation and shall

919 approve the municipality's request for permission to issue such
920 municipal obligations unless he determines that (A) the financial plan
921 submitted by the municipality is inadequate or incomplete or does not
922 adequately provide for the repayment of such municipal obligations, (B)
923 the resolution required by this subsection is incomplete or defective, or
924 (C) the municipality has not complied with the provisions of section 17
925 of this act or has not complied with some other statutory requirement
926 relating to the issuance of such obligations, in which case he shall reject
927 such request. The secretary may grant approval subject to such terms
928 and conditions as he deems necessary or appropriate to ensure that the
929 municipality will make adequate provision for repayment of such debt.

930 (c) If a municipality subject to a board with review powers desires to
931 issue municipal obligations for any deficit, it shall submit to the board
932 the following documentation: (1) A copy of the financial plan approved
933 by the municipality and the board; (2) an explanation of why it believes
934 the issuance of such municipal obligations is in the best interests of the
935 municipality; and (3) a resolution duly adopted by the municipality
936 requesting that it be permitted to issue municipal bonds, bond
937 anticipation notes, or both, to fund deficits of the municipality pursuant
938 to the terms and conditions of this act. The board shall review the
939 municipality's request for permission to issue such municipal obligations
940 and forward to the secretary the documentation submitted by the
941 municipality together with its recommendation for the approval,
942 rejection or approval subject to specified terms and conditions of such
943 request. The board shall give written notice of its recommendation to the
944 chief executive officer and legislative body of the municipality. The
945 secretary shall review such documentation and recommendation and
946 shall approve the municipality's request for permission to issue such
947 municipal obligations unless he determines that (A) the financial plan
948 submitted by the municipality and board is inadequate or incomplete or
949 does not adequately provide for the repayment of such municipal
950 obligations, (B) the resolution required by this subsection is incomplete
951 or defective, or (C) the municipality has not complied with the
952 provisions of section 17 of this act or has not complied with some other

953 statutory requirement relating to the issuance of such obligations, in
954 which case he shall reject such request. The secretary may grant approval
955 subject to such terms and conditions as he deems necessary or
956 appropriate to ensure that the municipality will make adequate
957 provision for repayment of such debt.

958 (d) Any municipality given permission to issue deficit bonds or notes
959 by the secretary or by a board with emergency powers shall create an
960 intercept program, as provided in section 16 of this act, in connection
961 with the issuance of such notes or bonds.

962 (e) The Governor shall, by executive order, create a board for any
963 municipality which is authorized to finance any deficit by the issuance of
964 municipal bonds, bond anticipation notes, or both.

965 Sec. 16. (NEW) (*Effective from passage*) (a) An intercept program shall
966 be set forth in an indenture of trust with a bank or trust company
967 located within the state. The indenture of trust shall provide for the
968 creation of a trust account into which all intercept revenues shall be
969 deposited in order to assure the availability of funds sufficient to
970 satisfy debt service obligations of the municipality.

971 (b) Such indenture of trust shall provide that all intercept revenues
972 shall be paid to the trustee and held in trust for the benefit of any and all
973 owners or holders of all outstanding general obligation bonds and notes
974 of the municipality, all bonds and notes issued under this act, and all
975 additional bonds and notes issued under such indenture, provided the
976 indenture shall authorize the trustee to release to the municipality for its
977 general operating purposes any amount in excess of the greater of the
978 monthly debt service requirement percentage or the debt service
979 percentage. In the event that intercept revenues are insufficient to meet
980 debt service payments as they become due and payable, the municipality
981 shall pledge, pursuant to such indenture, to make revenues other than
982 taxes available to the trustee for such debt service payments. Intercept
983 revenues shall be credited to the general fund for purposes of the general
984 fund budget and the financial plan in the year in which such intercept

985 program revenues are received by the municipality. Any statement of
986 revenues and expenditures, budget and actual, and any statement of
987 changes in the fund balance, budget and actual, for the general fund for
988 the current fiscal year, and for each fiscal year thereafter, shall reflect
989 such intercept revenues, for presentation purposes, as part of the general
990 fund.

991 Sec. 17. (NEW) (*Effective from passage*) (a) (1) Notwithstanding any
992 provision of the general statutes, any public or special act, any charter
993 or home rule ordinance, or any local ordinance or resolution governing
994 the authorization and issuance of bonds generally by a municipality,
995 the legislative body of a municipality not subject to a board may, in
996 accordance with the provisions of section 15 of this act, authorize, by
997 resolution, the issuance of bonds or bond anticipation notes for the
998 purpose of funding budget deficits, subject only to the limitations and
999 procedures set forth in this act.

1000 (2) Notwithstanding any provision of the general statutes, any
1001 public or special act, any charter or home rule ordinance or any local
1002 ordinance, or resolution governing the authorization and issuance of
1003 bonds generally by the municipality, the legislative body of a
1004 municipality for which a board with review powers has been created
1005 may, in accordance with the provisions of section 15 of this act,
1006 authorize, by resolution, the issuance of bonds or bond anticipation
1007 notes for the purpose of funding budget deficits, subject to the
1008 approval of the board and the limitations and procedures set forth in
1009 this act.

1010 (3) If a board has been created for a municipality and given
1011 emergency powers, pursuant to section 11 of this act, the board may
1012 exercise all of the authority of the legislative body of a municipality
1013 provided in this section without the concurrence of such legislative
1014 body and, in furtherance of the powers provided in this section, may
1015 delegate to an emergency financial manager any powers and authority
1016 which such legislative body is authorized to delegate under this

1017 section. In any such case, the emergency financial manager shall have
1018 and may exercise any authority of the chief executive officer or the
1019 finance officer, or both, of such municipality as may be provided in
1020 this section. The aggregate principal amount of bonds or bond
1021 anticipation notes authorized to fund any budget deficits pursuant to
1022 this act shall be limited to: (A) The cumulative amount of the deficits in
1023 the municipality's general fund balance, including any capital account
1024 deficits arising from the use of such funds for operations, as certified
1025 by an independent public accountant in the audit report of the
1026 municipality prepared for such fiscal years; and (B) such additional
1027 amounts as the board shall approve to provide for the establishment
1028 and maintenance of reserves or similar funds and to pay all fees, costs
1029 and expenses in connection with the authorization, issuance and sale
1030 of such bonds or bond anticipation notes, including, but not limited to,
1031 legal, advisory, printing and administrative expenses, any
1032 underwriters' discount, fees, costs and expenses in connection with the
1033 issuance of any related letter of credit, line of credit, policy of bond
1034 insurance or any other form of credit enhancement, rating agency fees
1035 and expenses of the board under section 9 of this act, if such a board
1036 exists, during the first year of its operation. In determining the
1037 cumulative amount of the deficits in a municipality's general fund
1038 balance, there shall be included all sums which have been lawfully
1039 encumbered by acts and actions of the municipality. The net proceeds
1040 of such bonds, after payment or provision for payment of the fees,
1041 costs, discounts and expenses described above, shall be applied first to
1042 repay the principal of and interest on outstanding notes issued in
1043 anticipation thereof, second to repay any tax anticipation notes of the
1044 municipality issued and outstanding, third to fund capital account
1045 deficits arising from the use of such funds for operations and fourth to
1046 fund general fund deficits. Nothing in this act shall limit the right of
1047 the municipality to comply with the provisions of any existing contract
1048 with or for the benefit of the owners or holders of any bonds, notes or
1049 other obligations of the municipality and nothing contained in this act
1050 shall be construed to alter, impair, diminish or otherwise affect the

1051 rights of such owners or holders. Any bonds issued to fund any deficit
1052 under this section may be paid, funded or refunded through the
1053 issuance of refunding bonds, which may be authorized in the same
1054 manner as the bonds being refunded, provided the final maturity of
1055 any refunding bonds shall not be later than the final maturity of the
1056 refunded bonds and the municipality will achieve, as a result of the
1057 sale of such refunding bonds and the investment and application of the
1058 proceeds of such sale, net debt service savings.

1059 (b) The legislative body of the municipality may delegate to the chief
1060 executive officer and the finance officer, subject to the approval of the
1061 board, the authority to determine the dates, maturities, prices, interest
1062 rate or rates, form, manner of sale and other terms and conditions of
1063 bonds issued pursuant to this act, including, but not limited to, the
1064 determination of the final form of and execution and delivery on behalf
1065 of the municipality of any agreement or indenture of trust to be entered
1066 into, pursuant to section 16 of this act, in connection with the sale of such
1067 bonds. Such powers shall be exercised from time to time by the chief
1068 executive officer and finance officer, subject to the approval of the board,
1069 in such manner as they shall determine to be in the best interests of the
1070 municipality, provided any such bonds shall be for a term not exceeding
1071 ten years. Bonds issued pursuant to this act shall be sold in such manner
1072 and on such terms and conditions as the chief executive officer and
1073 finance officer shall determine to be in the best interests of the
1074 municipality, subject to the approval of the board and such bonds, when
1075 duly issued in accordance with this act, shall constitute the legal, valid
1076 and binding general obligations of the municipality for which the full
1077 faith and credit of the municipality shall be pledged to the payment of
1078 the principal thereof and the interest thereon. Bonds and bond
1079 anticipation notes issued pursuant to this act are hereby determined to
1080 be issued for valid public purposes in the exercise of essential
1081 governmental functions.

1082 (c) Pending the certification of the fund balance deficit for the current
1083 fiscal year and subject to the provisions of this act, a municipality may,

1084 pursuant to this act and subject to the approval of any board appointed
1085 for the municipality, issue bonds or bond anticipation notes in an
1086 aggregate principal amount not to exceed seventy-five per cent of the
1087 accumulated deficit for such fiscal year as projected and certified by the
1088 chief executive officer or finance officer, or both, of the municipality and
1089 confirmed by such board and such additional amounts as may be
1090 approved to pay costs of issuance. In projecting the accumulated deficit,
1091 there shall be included all sums which it is estimated may be
1092 encumbered by acts or actions of the municipality by the close of such
1093 fiscal year. The principal of and interest on any bond anticipation notes
1094 issued pursuant to this act may be repaid from the revenues pledged
1095 pursuant to this act, to the extent not paid from the proceeds of renewals
1096 thereof or of bonds issued pursuant to this act. Upon the sale of said
1097 bonds, the proceeds thereof, to the extent required, shall be applied
1098 forthwith to the payment of the principal of and interest on any bond
1099 anticipation notes issued pursuant to this act and shall be deposited in
1100 trust for such purpose. The date or dates of such bond anticipation notes,
1101 the maturities, denominations, form, details and other particulars of such
1102 bond anticipation notes, including the method, terms and conditions for
1103 the issuance and sale thereof, shall be determined by the chief executive
1104 officer and finance officer in the best interest of the municipality, subject
1105 to the approval of the board, provided the term of such bond
1106 anticipation notes, including any renewal thereof, shall not exceed
1107 twelve months. The provisions of section 7-373 of the general statutes
1108 shall be deemed to apply to such notes. Such bond anticipation notes
1109 shall constitute the legal, valid and binding general obligations of the
1110 municipality, for which the full faith and credit of the municipality shall
1111 be pledged to the payment of the principal thereof and the interest
1112 thereon.

1113 (d) The legislative body of the municipality shall make
1114 representations, agreements and covenants, including a covenant not to
1115 impair, limit, modify, rescind, repeal or otherwise alter the rights,
1116 exemptions or remedies of any owner or holder of, or bond insurer or
1117 other provider of credit or liquidity enhancement with respect to, bonds

1118 or bond anticipation notes issued pursuant to this act, by and for the
1119 benefit of any bondowner or noteholder, bond insurer or other provider
1120 of credit or liquidity enhancement, which representations, agreements
1121 and covenants are necessary or appropriate: (1) To ensure the exemption
1122 of interest on such bonds or notes from taxation under the Internal
1123 Revenue Code of 1986, or any subsequent corresponding internal
1124 revenue code of the United States, as from time to time amended,
1125 including agreements to pay rebates to the federal government of
1126 investment earnings derived from the investment of the proceeds of such
1127 bonds or notes; or (2) to strengthen the credit of such bonds or notes
1128 issued pursuant to this act in the financial markets, or both.

1129 (e) Bonds and bond anticipation notes issued pursuant to this act shall
1130 be included in the calculation of the aggregate indebtedness under
1131 section 7-374 of the general statutes.

1132 Sec. 18. (NEW) (*Effective from passage*) (a) The Governor may, upon
1133 the recommendation of the secretary or board, or upon a request by
1134 the municipality or on the Governor's own initiative, terminate the
1135 existence of a board for a municipality. Any determination to so
1136 terminate shall be based on the criteria set forth in sections 6 and 9 of
1137 this act, the findings on the basis of which a board was created for the
1138 municipality and the period of time necessary to permit an orderly
1139 transfer of responsibility back to the municipality. If, on the basis of
1140 such factors, the Governor determines that termination of the existence
1141 of the board would be appropriate, the Governor shall, by executive
1142 order, provide for the termination of the board and for the orderly
1143 transfer of financial responsibility back to the municipality. Such order
1144 shall provide the existence of the board shall terminate not later than
1145 six months after the date of the executive order and may provide for
1146 oversight of the municipality after the termination date by the
1147 commission for a six-month period following such date. The Governor
1148 may authorize the commission to issue orders to the municipality, as
1149 provided in section 7 of this act, during such six-month period in order
1150 to assure that the financial stability of the municipality will not be

1151 jeopardized. The executive order shall state the dates on which any
1152 actions specified in the order shall become effective. The Governor
1153 shall give written notice of such executive order to the chief executive
1154 officer and legislative body of the municipality, the commission and
1155 the board. The Governor may rescind the termination of a board or
1156 create a new board for the municipality during such transition period
1157 if he determines that such action is necessary and makes such decision
1158 in accordance with the provisions of this act.

1159 (b) The actions taken pursuant to this act by a municipality, any of its
1160 administrative units or its school board, the commission, a board or any
1161 emergency financial manager appointed pursuant to section 11 of this act
1162 shall not be invalidated by the termination of the existence of the board
1163 for a municipality.

1164 Sec. 19. (NEW) (*Effective from passage*) The secretary shall, at the time
1165 a municipality has a board appointed for it, notify the Commissioner
1166 of Economic and Community Development of the creation of such
1167 board. Such commissioner, or his designee, shall meet regularly with
1168 such board and the chief executive officer of such municipality. The
1169 commissioner shall give special consideration to any municipality with
1170 a board in developing or approving economic development projects
1171 throughout the state. Wherever possible, the commissioner shall assist
1172 the municipality in its economic development to increase its grand list,
1173 its tax revenues and other revenues, the employment opportunities for
1174 its residents, the general economic development of the municipality,
1175 and the civic pride and morale of its residents.

1176 Sec. 20. (NEW) (*Effective from passage*) No official, employee or agent
1177 of a municipality, any of its administrative units or its school board
1178 shall take any action in violation of any valid order of the commission,
1179 board or emergency financial manager, or shall fail or refuse to take
1180 any action required by any such order, or shall prepare, present or
1181 certify any information, including any projections, estimates or report
1182 to the commission, board or the emergency financial manager or any

1183 of their agents that is knowingly false or misleading. In addition to any
1184 penalty or liability under any other law, any such official, employee or
1185 agent, who shall knowingly violate the provisions of this section, shall
1186 be subject to appropriate administrative discipline, including, when
1187 circumstances warrant, suspension from duty without pay or removal
1188 of nonelected officials from office, as provided by law. In the case of
1189 violation of the provisions of this section by such an official, employee
1190 or agent of the municipality, the chief executive officer of the
1191 municipality or, if applicable, the emergency financial manager, shall
1192 immediately report to the board or commission, if it is authorized to
1193 issue orders to such municipality, whichever is applicable, all pertinent
1194 facts, together with a statement of action taken thereon.

1195 Sec. 21. (NEW) (*Effective from passage*) The Governor, secretary,
1196 commission, board, emergency financial manager and any person
1197 authorized to act on behalf of or assist them shall not be personally
1198 liable or subject to any suit, judgment or claim for damages resulting
1199 from the exercise of or failure to exercise the powers, duties or
1200 functions granted to them under this act. Any employee hired by the
1201 board or emergency financial manager subject to the approval of the
1202 board shall be deemed to be an employee of the municipality for the
1203 purposes of section 7-465 of the general statutes.

1204 Sec. 22. (NEW) (*Effective from passage*) (a) The Attorney General may
1205 apply for a writ of mandamus or seek a temporary or permanent
1206 injunction on behalf of the commission, acting through its chairperson,
1207 in connection with municipalities for which it has been authorized to
1208 issue orders, and the board, acting through its chairperson, in
1209 connection with municipalities for which a board has been created
1210 pursuant to this act, requiring any official, employee or agent of the
1211 municipality to carry out and give effect to any order of the
1212 commission, board or emergency financial manager authorized by this
1213 act. Each such application shall be filed in superior court for the
1214 judicial district of Hartford.

1215 (b) The Superior Court may, by application of the secretary, the
1216 commission, a board or the Attorney General, enforce, by appropriate
1217 decree or process, any provision of this act or any act or order of the
1218 secretary, the commission, any board or any emergency financial
1219 manager rendered pursuant to this act.

1220 Sec. 23. (NEW) (*Effective from passage*) (a) Any municipality,
1221 aggrieved by any determination of the secretary to grant the
1222 commission the authority to issue orders to it or by any determination
1223 by an executive order of the Governor to create a board for it or to
1224 grant the board emergency powers with respect to it, may obtain
1225 judicial review of such determination by filing an action challenging
1226 such determination in the superior court for the judicial district of
1227 Hartford within ten business days of the issuance of such
1228 determination or executive order. The filing of such action shall not
1229 stay the decision made by the secretary or the Governor, and the court
1230 shall not temporarily enjoin the commission, the board or any agent of
1231 them, from acting pursuant to this act pending such judicial review.
1232 Any action filed pursuant to this section may be referred to a trial
1233 referee appointed pursuant to subdivision (1) of subsection (a) of
1234 section 52-434 of the general statutes and subsection (b) of section
1235 52-434 of the general statutes. Any such action shall take precedence
1236 with respect to order of trial over all other cases and such action shall
1237 be heard on an expedited basis as ordered by the court.

1238 (b) No person or entity other than a municipality, with respect to
1239 which such determination by the secretary or Governor is made, shall be
1240 entitled to seek judicial review of such determination. Such judicial
1241 review shall be limited to such determinations specified in subsection (a)
1242 of this section and shall not extend to any other actions pursuant to this
1243 act, except as specifically provided by this act or to the extent required by
1244 the Constitution of this state or of the United States.

1245 (c) The court shall not set aside any decision, act or order of the
1246 Governor, the secretary, the commission, any board or any emergency

1247 financial manager unless the court finds that such decision, act or order
1248 is either: (1) Arbitrary, capricious or clearly an abuse of discretion; or (2)
1249 in violation of statutory or constitutional provisions.

1250 (d) If any section, part or provision of this act or any act or order of the
1251 Governor, secretary, commission, or any board or any emergency
1252 financial manager pursuant to this act shall be held unconstitutional or
1253 invalid or ineffective by the Superior Court or trial referee exercising the
1254 powers of the Superior Court, such decision may be appealed by any
1255 aggrieved party directly to the Supreme Court in accordance with the
1256 provisions of section 52-265a of the general statutes. The Governor,
1257 secretary, commission, any board or the Attorney General shall be
1258 considered aggrieved parties for such appeals. Filing of an appeal
1259 pursuant to this subsection shall stay the effect of the Superior Court
1260 judgment or order appealed from pending the hearing and
1261 determination of the appeal by the Supreme Court.

1262 Sec. 24. (NEW) (*Effective from passage*) No municipality may become
1263 a debtor under Chapter 9 of Title 11 of the United States Code without
1264 the consent of the Governor.

1265 Sec. 25. (NEW) (*Effective from passage*) It is declared that this act is
1266 intended to meet a public emergency arising from the potential default
1267 of municipalities in the payment of their obligations and from the
1268 possible instability or insolvency of municipalities and the resulting
1269 potential impairment of public credit such that supervision and
1270 possible intervention by the state is necessary and desirable for the
1271 public interest. To effectuate the remedial purposes of this act, the
1272 powers granted hereby shall be liberally construed.

1273 Sec. 26. (NEW) (*Effective from passage*) This act shall, to the extent
1274 provided herein, limit the grant of rights and powers to municipalities,
1275 any of their administrative units and their school boards and all of
1276 their employees under the following provisions of the general statutes:
1277 Chapters 98 and 99; sections 7-467 to 7-477, inclusive, The Municipal
1278 Employees' Relations Act; and section 7-379 and sections 10-153a to

1279 10-153n, inclusive, the Teacher Negotiations Act. The provisions of
1280 chapter 54 of the general statutes shall not be applicable to the
1281 provisions of this act. The provisions of this act shall take precedence
1282 over any conflicting provision of any other public or special act and
1283 any municipal charter, home rule ordinance, ordinance or regulation.

1284 Sec. 27. Subsection (c) of section 7-394a of the general statutes is
1285 repealed and the following is substituted in lieu thereof (*Effective from*
1286 *passage*):

1287 (c) The Secretary of the Office of Policy and Management shall
1288 [adopt regulations as necessary to] establish guidelines concerning
1289 compliance with the provisions of subsection (a) of this section and
1290 concerning any special problems related to such compliance by any
1291 municipality, regional school district or audited agency. [Such
1292 regulations shall, prior to adoption, be submitted to the Municipal
1293 Finance Advisory Commission for review as provided in section 7-
1294 394b.]

1295 Sec. 28. Section 7-395 of the general statutes is repealed and the
1296 following is substituted in lieu thereof (*Effective from passage*):

1297 The secretary shall review each audit report filed with said secretary
1298 as provided in section 7-393, except said secretary shall review the
1299 audit reports on each audited agency biennially and may review the
1300 audit reports on any municipality or regional school district biennially,
1301 provided such secretary shall, in any year in which he does not review
1302 the report of any such municipality or regional school district, review
1303 the comments and recommendations of the independent auditor who
1304 made such audit. If, upon such review of the audit report, evidence of
1305 fraud or embezzlement is found, he shall report such information to
1306 the state's attorney for the judicial district in which such municipality,
1307 regional school district or audited agency is located. If, in the review of
1308 such audit report said secretary finds that such audit has not been
1309 prepared in compliance with the provisions of subsection (a) of section
1310 7-394a, or said secretary finds evidence of any unsound or irregular

1311 financial practice in relation to commonly accepted standards in
1312 municipal finance, said secretary shall prepare a report concerning
1313 such finding, including necessary details for proper evaluation of such
1314 finding and recommendations for corrective action and shall refer such
1315 report to the Municipal Finance [Advisory] Assistance Commission
1316 established under section [7-394b] 5 of this act. A copy of such report
1317 shall be filed with: (1) The chief executive officer of such municipality
1318 or audited agency or the superintendent of such school district and, in
1319 the case of a town, city or borough, with the clerk of such town, city or
1320 borough; and (2) the Auditors of Public Accounts.

1321 Sec. 29. (*Effective from passage*) (a) The provisions of this act shall
1322 supersede the provisions of special act 88-80, as amended by special
1323 acts 88-47, 89-24 and 90-31, provided (1) such supersedence shall not
1324 take effect until ten days after the appointment of a municipal finance
1325 planning and assistance board for the town and city of Bridgeport
1326 pursuant to the provisions of subsection (b) of this section, which
1327 board shall supersede the Bridgeport financial review board; and (2)
1328 the provisions of sections 1 to 8, inclusive, of special act 88-80, as
1329 amended, to the extent they apply to bonds or notes issued prior to the
1330 effective date of this act, shall remain in effect with respect to such
1331 bonds and notes for as long as any of such bonds or notes remain
1332 outstanding. Nothing in this act shall be construed to invalidate any
1333 act of the Bridgeport Financial Review Board.

1334 (b) Notwithstanding the provisions of sections 9 and 11 of this act, the
1335 Governor shall, within ten days of the effective date of this act, create a
1336 board with emergency powers, as provided in this act, for any
1337 municipality which has state guaranteed bonds outstanding on the
1338 effective date of this act.

1339 Sec. 30. (*Effective from passage*) Section 7-394b of the general statutes
1340 is repealed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>from passage</i>	New section
Sec. 22	<i>from passage</i>	New section
Sec. 23	<i>from passage</i>	New section
Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>from passage</i>	7-394a(c)
Sec. 28	<i>from passage</i>	7-395
Sec. 29	<i>from passage</i>	New section
Sec. 30	<i>from passage</i>	Repealer section

Statement of Purpose:

To create a mechanism to deal with municipal financial problems.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

